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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/822,179	04/09/2004	Kuo-Chin Chang		1777

25859 7590 12/29/2008
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EXAMINER

ALLEN, WILLIAM J

ART UNIT	PAPER NUMBER
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3625

MAIL DATE	DELIVERY MODE
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12/29/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/822,179	Applicant(s) CHANG ET AL.	
	Examiner WILLIAM J. ALLEN	Art Unit 3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on ____.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) 1-7 is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 8-12 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. ____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date ____. | 6) <input type="checkbox"/> Other: ____. |

DETAILED ACTION

Prosecution History Summary

Claims 1-12 are pending.

Claims 1-7 have been withdrawn.

Claims 8-12 are rejected as set forth below.

Response to Arguments

With regards to Applicant's arguments filed 9/30/08 refuting the rejection of claims 8-12 under 35 USC 101, Applicant's arguments have been fully considered but they are not persuasive.

Applicant contests that amended claim 8, now reciting *generating notices indicating quotations of the one or more successful suppliers are received*, produces the result of notification and therefore creates a useful, concrete, and tangible result. The Examiner notes, however, that the test of "useful, concrete, and tangible" is no longer the sole test for patent eligible subject matter. More specifically, the proper question is whether the method is either (1) tied to another statutory class (such as a particular apparatus) or (2) performs a transformation of underlying subject matter (such as an article or materials) to a different state or thing.

It is also of importance to note that in order to qualify as a statutory process the claim should positively recite the other statutory classes to which it is tied by identifying the apparatus that accomplishes the method or positively reciting the subject matter being transformed. As noted in the previous rejection under 35 USC 101, the process steps claims 8-12 are not tied to a statutory class nor do they execute a transformation and are thereby considered non-statutory.

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More particularly, the steps of claims 8-12 represent steps performable either mentally or manually without the necessary use of any particular machine or apparatus.

Furthermore, despite applicant's assertion that the claims require "at least one storage device" and the method being "computer enabled" (see page 5, Applicant's remarks), these recitations merely amount to a nominal use and do not create a substantive tie to the inventive concept or particular machine or apparatus.

With regards to newly amended claim 8, Applicant's amendment now requires where the purchasing scheme is based on *basic information and the base price*. Kellam teaches setting basic information including setting the definition/specification of the desired products (see at least: 0025). Furthermore, the creation of an RFQ including defined subsets and parameters, one of the parameters being the base price (see at least: 0033, 0035). The created RFQ also includes the product definition/specification (i.e. *basic information*). In this regard, it is clear that the created RFQ, which is representative of a *purchasing scheme*, is based on both the "base price" and "basic information".

In addition, Applicant claims "*auditing information on a supplier in order to determine whether the supplier is eligible*" is not taught by the combination of Kellam, Schrantz, and Westbrook. As noted in the previous action, Westbrook does indeed teach such features. Westbrook teaches the selection of at least one seller corresponding to buyer criteria, the buyer criteria specified to facilitate selection of qualifying sellers (see 0012, 0053). The data processing system then utilizes the criteria to generate a list of qualifying partners (see at least: 0065, 0067, 0084). In other words, the system of Westbrook is designed to take buyer criteria and compute that criteria to seller/partner attributes in order to include/exclude trading partners. As defined by

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Princeton's WordNet (<http://wordnetweb.princeton.edu>), "audit" simply means to scrutinize or inspect – to examine carefully for accuracy with the intent of verification. With this in mind, it is clear that the process of comparing and matching in Westbrook meets the criteria of auditing.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

1. Claims 8-12 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Based on Supreme Court precedent, and recent Federal Circuit decisions, a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876). In order to qualify as a statutory process the claim should positively recite the other statutory classes to which it is tied (e.g. by identifying the apparatus that accomplishes the method or positively reciting the subject matter being transformed). The process steps in claims 8-12 are not tied to a statutory class nor do they execute a transformation and are thereby considered non-statutory.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 8-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kellam et al. (US 20030130927) in view of Carlton-Foss (US 6647373) in view of Schrantz (US 20030144922) in further view of Westbrook et al. (US 20020052802).

Regarding claim 8, Kellam teaches a product purchasing method including:

setting basic information on to-be-purchased products (see at least: 0025 (note: defining a product and preparing a specification for the product));

setting a base price for each to-be-purchased machine (see at least: 0035 (note: establishing a maximum acceptable price)

compiling a purchasing scheme based on the basic information and base price (0025, 0033, 0035 (note: the combination of defined product information (*basic information*), subsets, and parameters (the parameters including a maximum (*base*) price) constitutes a *purchasing scheme*. The scheme is thereby based at least in part on the maximum (*base*) price and the product definition/specification (*basic information*));

opening bidding documents to suppliers (see at least: 0026-0027, Fig. 1A-1B);

receiving suppliers' responses to the bidding documents (see at least: 0026-0027, Fig. 1A-1B (note: bids are submitted in response to providing the electronic auction);

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determining whether a quotation of any supplier exceeds the base price (see at least: 0035;

excluding a supplier if the quotation of the supplier exceeds the base price (see at least: 0035; *and*

selecting one or more successful suppliers from all eligible suppliers (see at least: 0028, Fig. 1C);

generating notices indicating quotations of the one or more successful suppliers are accepted (see at least: Fig. 1B (“feedback), Fig. 3 (#42), 0033 (note: the lowest bid for each bidder is displayed)).

Of important note in Kellam is the solicitation for bids/quotes (see at least: Fig. 3, #41) and the selection of the auction winner (see at least: Fig. 1C). Though implied by such teachings, Kellam lacks explicit support for *using the purchase scheme to generate bidding documents and selecting one or more acceptable quotations from eligible suppliers so as to select one or more successful suppliers*.

In the same field of endeavor, Carlton-Foss teaches a system and method for setting basic information on requested items in a request for quotation (see at least: abstract, Fig. 4a-4b). Carlton-Foss further teaches where a *purchase scheme* (i.e. the basic information, evaluation dimensions and weights, etc.) is used *to generate bidding documents* (see at least: Fig. 12a-Fig. 15). Furthermore, Carlton-Foss teaches selecting *one or more acceptable quotations from*

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eligible suppliers so as to select one or more successful suppliers (see at least: abstract, col. 6 lines 13-17 and 56-61, claim 1, Fig. 11, 12b, and 15).

It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Kellam to have included the features as taught by Carlton-Foss because those in the art would have recognized applying the known technique of Carlton-Foss would have yielded an improvement and was predictable. For example, applying the known technique of Carlton-Foss would improve the system of Kellam by facilitating the efficient reception and rankings of bids, thereby providing an effective means to provide resulting information to requestors such that requestors can select the winner(s) that best suit their needs (see at least: Carlton-Foss, col. 2 line 66-col. 3 line 3).

Though Kellam teaches all of the above including setting a base price (0035), Kellam does not explicitly teach

receiving historical transaction records from a financial management system;

receiving current prices of the to-be-purchased products;

setting a base price for each to-be-purchased machine based on the historical transaction records and the current prices.

In the same field of endeavor, Schrantz teaches a system for person to person commerce that allows sellers to list items on a transaction site via a web interface. More specifically, when preparing to list an item, the system (*financial management system*) displays both historic and

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current price information to assist the user in determining the listing price (i.e. *base price*) (see at least: 0056). In other words, Schrantz effectively teaches analogous functionality to setting a base price for a to be purchased product based on historic and current price data. It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Kellam to have included the noted features because the incorporation of such features is recognized as part of the ordinary capabilities of one skilled in the art.

Though Kellam teaches all of the above including determining whether a quote exceeds a base price as well as using additional criteria to further distinguish the bidders (see at least: 0007, 0012, 0028, and 0031), Kellam does not clearly disclose *auditing information on a supplier in order to determine whether the supplier is eligible* (i.e. using additional criteria to limit eligibility).

In the same field of endeavor, Westbrook teaches a system and method for facilitating wood product transactions including obtaining a request for transaction partners and generation of a list of available sellers (see at least: abstract). More specifically, Westbrook teaches a three-tiered approach to identifying eligible sellers including *auditing information on a supplier in order to determine whether the supplier is eligible* (see at least: 0012, 0053, 0065, 0067, 0084). It would have been obvious to one of ordinary skill in the art at the time of invention to have modified the invention of Kellam to have included the noted features of Westbrook because the incorporation of such features is no more than the combination of known prior art elements according to their established function yielding predictable results.

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Lastly, the Examiner notes that Kellam teaches the noted aspects with respect to general products sought to be purchased by a user. There is no specific reference to purchasing "machines" in Kellam, however, these differences amount only to the specific type of product being sold and are not functionally related to the substrate of the invention. Thus, this is descriptive material and does not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983). It is also noteworthy that Carlton-Foss indeed teaches submission of RFQ's regarding "machines" to be purchased (see at least: Fig. 4a-4b).

It would have been obvious, then, to one of ordinary skill in the art at the time of invention to use the above method to sell "machines" because the specific type of product being sold does not functionally relate to the substrate of the invention and merely labeling the type of product differently from that in the prior art would have been obvious. See *In re Gulack* cited above.

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Regarding claims 9-12, Kellam in view of Carlton-Foss in view of Schrantz in view of Westbrook teaches:

(9) *determining whether one or more items in a quotation of any eligible supplier need to be changed; and negotiating with an eligible supplier if one or more items in the quotation of the eligible supplier need to be changed* (see at least: Carlton-Foss, col. 4 lines 13-19, col. 6 lines 66-col. 7 line 7).

(10) *sending a notice to each successful supplier to inform the supplier of success* (see at least: Fig. 1B (“feedback), Fig. 3 (#42), 0033 (note: the lowest bid for each bidder is displayed).

(11) *drawing up one or more legal contracts* (see at least: 0035, Fig. 1C).

(12) *step of sending said legal contracts to said successful suppliers and requesting said successful suppliers to sign said legal contracts* (see at least: 0035, Fig. 1C). The Examiner notes that in order to be executed the contract must be signed by the parties involved.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to WILLIAM J. ALLEN whose telephone number is (571)272-1443. The examiner can normally be reached on 8:00 AM to 5:30 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jeff A. Smith can be reached on (571) 272-6763. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Jeffrey A. Smith/
Supervisory Patent Examiner, Art Unit
3625

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